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October 27, 2017

VIA, ELECTRONIC FILING
The Honorable Jocelyn Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re:
- Southern Current LLC; Cypress Creek Renewables, LLC; and Birdseye Renewable Energy, LLC,

  Petitioners,

  v.

  Duke Energy Carolinas, LLC and Duke Energy Progress, LLC.

  Respondents.

- **Petition**

Dear Ms. Boyd:

Enclosed for filing, please find the above-referenced Petition, with Exhibit and Docket Cover Sheet. Please notify the undersigned if you there is anything else you may need.

Respectfully Submitted,

/S/_____
Richard L. Whitt

RLW/cas

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2017-____-E

IN RE: Southern Current LLC; Cypress Creek Renewables, LLC; and Birdseye Renewable Energy, LLC, Petitioners, v. Duke Energy Carolinas, LLC and Duke Energy Progress, LLC, Respondents.	)	**PETITION**

PETITION

1. This Petition is filed pursuant to R. 103-825, of this Commission's Rules and Regulations.

2. On or about **September 19, 2017**, Petitioners learned that Duke Energy Carolinas, LLC and Duke Energy Progress, LLC, (hereinafter together as, "Duke"), had announced new Study Guidelines ("screens" for solar projects), that were to be effective a few days later, on **October 1, 2017,** (proposed New Study Guidelines, attached hereto as, Exhibit "A").

3. Counsel for Petitioners then contacted representatives of the South Carolina Office of Regulatory Staff, (hereinafter, "ORS"), to express Petitioners' concerns about Duke's new Study Guidelines, which would adversely affect solar development in South Carolina. Representatives of ORS then contacted Duke and obtained Duke's agreement to delay the implementation of the new Study Guidelines, until **November 1, 2017**. Additionally, representatives of ORS were able to schedule a technical workshop with representatives of Duke, ORS and Petitioners on **October 19, 2017.**

4. At the October 19, 2017 meeting, Petitioners conveyed their concerns as to (**i**) Duke's plan to institute the new study Guidelines without ORS or stakeholder involvement (**ii**) Duke moving forward with little notice to ORS and the stakeholders (**iii**) Duke moving forward without a study or technical justification to support the proposed New Study Guidelines (**iv**) a lack of concern by Duke, as to the loss of a significant number of pending solar projects, many of which have incurred tremendous "sunk" costs to date (**v**) an inability of Duke's representatives to articulate a valid need to implement the proposed new Study Guidelines on short notice and (**vi**) a failure of Duke's representatives to point to evidence of reliability issues with interconnected solar generation to support the proposed new "screens".

5. At the conclusion of the technical discussion on October 19, 2017, Duke's legal counsel announced that Duke had no intention of delaying or changing their proposed new Study Guidelines, and no intention to delay **the implementation date of November 1, 2017**. Duke's representatives were specifically asked by Petitioners and ORS if they would agree to grandfather in projects pending in Duke's queues and Duke's representatives would not agree to that request.

6. Duke's proposed action would have the effect of making it impossible for Petitioners to complete dozens of solar projects that have been under development for years and in which Petitioners have invested millions of dollars in reliance on longstanding interconnection policies which Duke now proposes to change. Duke has had these projects under interconnection study for a protracted period of time (in some cases more than two years) and now, having failed to complete that study in a timely fashion, seeks to reduce its backlogged queues by unilaterally terminating these projects.

7. Petitioner's interest in Duke's proposed new Study Guidelines is the significant economic losses that Petitioners will suffer if Duke's proposed new Study Guidelines are instituted retroactively as Duke proposes and the facts Petitioners rely on are set forth hereinabove. For example, Duke's proposed new Study Guidelines' effect on Petitioners would be a loss of approximately thirty solar projects with an estimated economic loss of $200 million.

8. The relief sought by Petitioners is for this Commission, based on the specific grounds set forth herein, (**i**) to require Duke to delay implementation of Duke's proposed new Study Guidelines until such date this Commission has heard from interested stakeholders and the South Carolina Office of Regulatory Staff and after this Commission's inquiry, (**ii**) to require Duke to continue processing all interconnection requests while such proceeding is pending; (**iii**) to require Duke to grandfather in all currently pending solar projects and require Duke to apply any new study guidelines prospectively only; and (**iv**) to determine what, if any, new study guidelines are needed to address concerns identified by Duke.

9. Duke is under a specific Order from this Commission to negotiate in good-faith in its purchase of electrical energy. *See* Commission Order No. 85-347, dated August 2, 1985, Docket No. 80-251-E, Duke's proposed new Study Guidelines, which it unilaterally announced with no consultation with the affected parties and no attempt to develop less draconian guidelines, are not proposed in good-faith, as is required by this Commission.

10. Duke's attempt to retroactively implement new Study Guidelines, which would affect numerous pending solar projects at the cost of millions of dollars to Petitioners requires Duke to meet a higher burden, than implementation of a new policy or guidelines prospectively. Petitioners respectfully urge this Commission to apply an appropriate and higher burden on Duke for their attempt to retroactively and negatively affect numerous pending solar projects.

11. Petitioners are represented by counsel in this proceeding:

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CONCLUSION

12. Based on the foregoing, this Commission should (i) require Duke to delay implementation of Duke's proposed new Study Guidelines until such date this Commission has heard from interested stakeholders and the South Carolina Office of Regulatory Staff and after this Commission's inquiry, (ii) require Duke to continue processing all interconnection requests while such proceeding is pending; (iii) require Duke to grandfather in all currently pending solar projects and require Duke to apply any new study guidelines prospectively only; and (iv) determine what, if any, new study guidelines are needed to address concerns identified by Duke. This Commission should not permit Duke's attempt to retroactively, on short notice, institute "screens", which would have the effect of ending numerous solar projects that have been long in development, at great cost to the solar developers.

WHEREFORE, Petitioners pray for the following relief:

a. Require Duke to delay implementation of Duke's proposed new Study Guidelines;

b. Establish a Docket to receive stakeholder input and evidence, and to allow ORS' full participation;

c. Require Duke to continue processing all interconnection requests while such proceeding is pending;

d. After this Commission's inquiry, require Duke to grandfather in all currently pending solar projects from the effect of any new study guidelines;

e. Determine what, if any, new study guidelines are needed to address concerns identified by Duke; and

f. FOR SUCH OTHER AND FURTHER RELIEF AS IS JUST AND PROPER.

[Signature Page Follows]

Respectfully Submitted,
/S/

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Attorney for Petitioners, Southern Current LLC; Cypress Creek Renewables, LLC, and Birdseye Renewable Energy, LLC.

October 27, 2017
Columbia, South Carolina

DUKE ENERGY.

At 1:30 p.m. EST on Monday, September 25, 2017, John Gajda, Manager, Distributed Energy Resources Operations Support, at Duke Energy will host a technical discussion regarding planned changes to Duke Energy Carolinas' ("DEC") and Duke Energy Progress' ("DEP," and together with DEC the "Companies") interconnection study guidelines to be applied to utility-scale generator interconnections proposing to interconnect to the Companies' general distribution systems in North Carolina and South Carolina. Mr. Gajda will also provide an update on the Companies' recent efforts to establish an expedited year end 2017 conditional commissioning process in coordination with the Companies' commissioning program contractor, Advanced Energy.

This will be a "remote only" meeting; dial-in conference information and Skype link information will be sent to the same email distribution as this letter. Those using Skype will be able to view slides in real time. Slides will also be made available after the meeting for those not able to access the Skype link.

DIAL-IN INSTRUCTIONS: USA: 1-719-359-9722 / USA/Canada (toll free): 1-888-757-2790 / Guest Passcode: 733531

Please be on the lookout for a calendar invite, via email. Please contact john.gajda@duke-energy.com if necessary for logistical questions.

Background:

As of August 31, 2017, DEP and DEC have interconnected a combined 1,500 MW of utility-scale solar distributed energy resources ("DER") to retail circuits on the Companies' general distribution systems in their North Carolina and South Carolina service territories. Utility-scale DER interconnected on the DEC and DEP distribution systems in the Carolinas today generally exceed the level of distribution-connected DER – both in terms of individual generator size as well as aggregate capacity and energy output – when compared to other regulated electric utilities in the Southeast and nationally. Further, an additional 2,600 MW of utility-scale DER interconnection requests are also proposing to interconnect to the DEC and DEP distribution systems in the Carolinas. As a national leader in the area of interconnecting utility-scale DER to the general distribution system, the Companies continue to learn and develop improved policies and practices to manage integration of utility-scale DER consistent with evolving "good utility practice" to ensure the long-term reliability of the transmission & distribution system. Following are brief overviews of the planned policy changes to be discussed during the September 25 Meeting.

Overview of New Study Guidelines Effective October 1, 2017

T, S, and D Methods of Interconnection for Individual DERs:

As part of the Companies' ongoing efforts to manage the interconnection process in a reasonable and non-discriminatory manner that assures continued system safety, reliability of service, and power

quality for all customers, the Companies have determined that good utility practice supports developing more defined standards to delineate the "method" of interconnection to the Companies' systems. Method of interconnection refers to the point on the utility's System that utility-scale DER are most reasonably and appropriately suited to interconnect. As shown in the Table below, method of service is intended to delineate between 1) transmission interconnections (Method "T"); 2) direct-to-substation interconnections (Method "S"); and 3) general retail distribution circuit interconnections (Method "D").

TABLE: Interconnection method based on size of facility

Interconnection method	Interconnection facility (MVA) (lower limit)	Interconnection facility (MVA) (higher limit)	Guideline for system / interconnection point
T	> 20 MVA	--	transmission system
S	> 10 MVA (25 kV or 35 kV class) > 6 MVA (15 kV class) > 3 MVA (where local retail distribution substation is served from 44 kV sub-transmission)	≤ 20 MVA	direct connection to a retail substation
D	--	≤ 10 MVA (25 kV or 35 kV class) ≤ 6 MVA (15 kV class) ≤ 3 MVA (where local retail distribution substation is served from 44 kV sub-transmission) ≤ 2 MVA (5 kV class)	general distribution circuit

Delineating between the D and S methods based upon general distribution circuit voltage classes further refines the appropriate interconnection method and is also intended to recognize that larger DER interconnected to lower voltage class general distribution circuits has the increasing potential to adversely impact distribution system reliability/power quality, and to unreasonably limit future operational flexibility. This policy is being applied to all Generator Interconnection Requests currently in the NCIP/SC GIP Section 4 Study Process. (Note: This evolution of good utility practice also aligns with recent legislation enacted in North Carolina. See S.L. 2017-192, Section 1.(c).)

Managing Aggregate DER Interconnections at Distribution Circuit and Retail Substation Level:

In addition to delineating the proper method of interconnection for individual DER, the Companies have also determined that good utility practice supports limiting the aggregate capacity of distribution-connected utility-scale DER under Method D not to exceed 1) the planning capacity of the distribution circuit; and 2) the nameplate capacity or "ONAN" rating of the substation transformer. These circuit

planning capacity and substation transformer guidelines define reasonable aggregation limits for utility-scale DER at each substation consistent with pre-existing interface limits between the distribution and transmission systems. Preserving these limits is part of the Companies' role in maintaining and refining good utility practice with an eye towards sustainable, reliable, and economic operation of the utility distribution and transmission systems for the benefit of all utility customers.

Interconnection Requests that are currently progressing through the NCIP/SC GIP Section 4.3 System Impact Study process or have not yet begun the study process that cause these limits to be exceeded will be offered a Method S interconnection directly to a Substation. Interconnection Requests that have already received a System Impact Study Report will be allowed to proceed with a Method D interconnection even if these aggregate limits are exceeded. (Note: DEC applies the nameplate capacity of the substation transformer limitation today. The evolution of good utility practice to limit interconnection to the nameplate capacity of the Substation transformer also aligns with recent legislation enacted in North Carolina. See S.L. 2017-192, Section 1.(c).)

In the next 60 calendar days, the Companies plan to notify all utility-scale DER Interconnection Requests that have not yet begun System Impact Study if they exceed the planning capacity of the distribution circuit or the nameplate capacity of the Substation transformer limits on Method D interconnections.

Modifying "Flicker Effect" Criteria

The Companies' DER Operations Support team recently undertook an evaluation of DEC's and DEP's flicker effect criteria being applied during System Impact Study, including benchmarking comparisons to other Southeastern utilities and other utilities that have recently completed focused reviews of this technical study criteria. Based upon this review, the Companies have determined that revising existing flicker study criteria is appropriate and that a slightly more relaxed rapid voltage change ("RVC") standard now represents good utility practice for utility-scale DER proposing to interconnect to the general distribution system. Applying this modified RVC criteria may reduce the need for re-conductoring of system upgrades and, potentially, allow increased DER capacity at a given point of interconnection. The Companies intend to consider whether this modified RVC criteria would have a material effect on system upgrade estimates or generator capacity for each utility-scale DER Interconnection Request currently progressing through the System Impact Study process, as well as all future Interconnection Requests proceeding through the NCIP/SC GIP Section 4 Study process.